

Workforce Development Council

Analyst: Bybee

Historical Summary

OPERATING BUDGET	FY 2019 Total App	FY 2019 Actual	FY 2020 Approp	FY 2021 Request	FY 2021 Gov Rec
BY FUND CATEGORY					
Dedicated	8,410,700	5,443,700	8,426,700	12,757,600	12,751,300
Federal	142,400	135,900	145,400	145,400	143,500
Total:	8,553,100	5,579,600	8,572,100	12,903,000	12,894,800
Percent Change:		(34.8%)	53.6%	50.5%	50.4%
BY OBJECT OF EXPENDITURE					
Personnel Costs	471,700	434,700	485,500	501,100	492,000
Operating Expenditures	396,900	443,700	402,100	401,900	402,800
Trustee/Benefit	7,684,500	4,701,200	7,684,500	12,000,000	12,000,000
Total:	8,553,100	5,579,600	8,572,100	12,903,000	12,894,800
Full-Time Positions (FTP)	5.00	5.00	5.00	5.00	5.00

Division Description

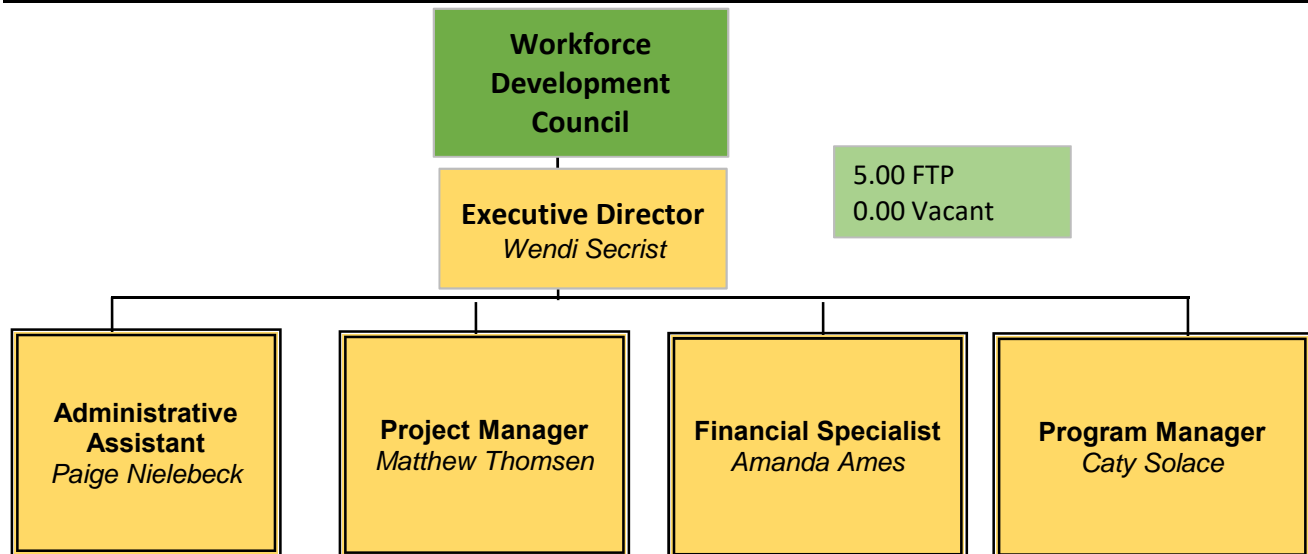
Authorized in Title 72, Chapter 12, Idaho Code, the Workforce Development Council was created under the Office of the Governor through H432 of 2018. The requirements, goals, and objectives of the Workforce Development Council include: 1) increase public awareness of and access to career education and training opportunities; 2) improve the effectiveness, quality, and coordination of programs and services designed to maintain a highly skilled workforce; 3) provide for the most efficient use of federal, state, and local workforce development resources; 4) fulfill the requirements of the State Workforce Investment Board as set forth in the Workforce Opportunity and Innovation Act (WIOA); and 5) develop and oversee procedures, criteria, and performance measures for the Workforce Development Training Fund.

Workforce Development Council

Agency Profile

Analyst: Bybee

Organizational Chart



The Workforce Development Training Fund is derived from the diversion of Unemployment Insurance taxes equal to 3% of the taxable wage rate authorized and payable under Section 72-1203, Idaho Code, and maintained separately in the state treasury. Moneys are used to provide or expand training and retraining opportunities for Idaho's workforce along with providing public information and outreach on career education and workforce training opportunities. The council provides four different grant types to employers or colleges and universities for the general purpose of providing employee or future employee training.

Employer grants are available to Idaho employers who are increasing their current workforce and/or retraining existing workers with skills necessary for specific economic opportunities or industrial expansion initiatives.

Industry Sector grants are designed to engage employers in developing new training solutions that address Idaho's workforce issues and fill skills gaps.

Innovation grants fund projects that address local workforce development needs. Projects may provide skills training to individuals and/or assist individuals with connecting to careers. New or enhanced training must address specific employer-identified skills gaps in the community; training cannot supplant or compete with current training opportunities.

Outreach and Communication funding for public information and outreach on career education and workforce training opportunities, including existing education and training programs, and services not funded by the training fund.

<https://dfm.idaho.gov/publications/bb/perfreport/>

Grant Awards and Remaining Balances:

	Award Amount	Remaining Balance	Current and Projected Payments (FY 2020)*
Employer Grants	\$6,277,400	\$5,134,900	\$3,829,600
Industry Sector	\$5,630,000	\$4,791,400	\$3,490,700
Innovation Grants	\$145,400	\$95,200	\$70,000
Outreach	\$914,000	\$906,800	\$623,800
Total	\$12,966,800	\$10,928,300	\$8,014,100

*As of December 10, 2019

Workforce Development Council

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Comparative Summary

Decision Unit	Agency Request			Governor's Rec		
	FTP	General	Total	FTP	General	Total
FY 2020 Original Appropriation	5.00	0	8,572,100	5.00	0	8,572,100
1. Additional Grant Awards	0.00	0	0	0.00	0	1,402,500
Sick Leave Rate Reduction	0.00	0	0	0.00	0	(1,100)
FY 2020 Total Appropriation	5.00	0	8,572,100	5.00	0	9,973,500
Removal of Onetime Expenditures	0.00	0	(2,500)	0.00	0	(2,500)
Restore Ongoing Rescissions	0.00	0	0	0.00	0	1,100
FY 2021 Base	5.00	0	8,569,600	5.00	0	9,972,100
Benefit Costs	0.00	0	11,300	0.00	0	(2,000)
Statewide Cost Allocation	0.00	0	2,300	0.00	0	2,300
Annualizations	0.00	0	0	0.00	0	2,913,000
Change in Employee Compensation	0.00	0	4,300	0.00	0	8,500
FY 2021 Program Maintenance	5.00	0	8,587,500	5.00	0	12,893,900
1. Additional Grant Awards	0.00	0	4,315,500	0.00	0	0
2. Declining Federal Revenue	0.00	0	0	0.00	0	0
OITS 1 - Operating Costs	0.00	0	0	0.00	0	100
OITS 2 - Servers and Licensing	0.00	0	0	0.00	0	800
FY 2021 Total	5.00	0	12,903,000	5.00	0	12,894,800
Change from Original Appropriation	0.00	0	4,330,900	0.00	0	4,322,700
% Change from Original Appropriation			50.5%			50.4%

Workforce Development Council

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
FY 2020 Original Appropriation					
The Legislature provided additional funding in FY 2020 that included \$5,200 for technology consolidation and modernization.					
	5.00	0	8,426,700	145,400	8,572,100
1. Additional Grant Awards					
Agency Request	0.00	0	0	0	0
The Governor recommends a portion of line item 1 as a supplemental appropriation for the Workforce Development Council. Typically, when the council awards a grant to an entity, it will take approximately three years to complete the payout of the award. The council reports three industry sector grant awardees are requesting reimbursement that will complete the payout in one year. Of these three awards, two were awarded by the council in the current fiscal year. With these two new awards, the Council estimates they have allocated more grants than their current appropriation of \$7,684,500 in trustee and benefit payments will support.					
From line item 1, the Workforce Development Council requests \$4,315,500 in trustee and benefit payments to provide additional grants to worthy applicants. This amount would bring the total appropriation available for grants to \$12,000,000 annually. The funding source is the Workforce Development Training Fund, which is a carve out of Unemployment Insurance taxes equal to 3% of the taxable wage rate authorized and payable under Section 72-1350, Idaho Code. Annual revenues are currently estimated to be \$3.7 million for FY 2021. If the council were to spend the entire trustee and benefit payments appropriation in FY 2020 and FY 2021, only \$6.9 million in cash would be available in FY 2022.					
Governor's Recommendation	0.00	0	1,402,500	0	1,402,500
Sick Leave Rate Reduction					
Agency Request	0.00	0	0	0	0
The Governor recommends a six-month reduction of funding for employers who contribute to the PERSI-managed sick leave plan. This reduction will begin to draw down the reserve balance, which has grown significantly during the past several years.					
Governor's Recommendation	0.00	0	(900)	(200)	(1,100)
FY 2020 Total Appropriation					
Agency Request	5.00	0	8,426,700	145,400	8,572,100
Governor's Recommendation	5.00	0	9,828,300	145,200	9,973,500
Removal of Onetime Expenditures					
Removes onetime funding related to mobile device security and network equipment replacement.					
Agency Request	0.00	0	(2,500)	0	(2,500)
Governor's Recommendation	0.00	0	(2,500)	0	(2,500)
Restore Ongoing Rescissions					
Agency Request	0.00	0	0	0	0
The Governor recommends restoration of the sick leave rate reduction.					
Governor's Recommendation	0.00	0	900	200	1,100
FY 2021 Base					
Agency Request	5.00	0	8,424,200	145,400	8,569,600
Governor's Recommendation	5.00	0	9,826,700	145,400	9,972,100

Workforce Development Council

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
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Benefit Costs

Employer-paid benefit changes include an 18.9% increase (or \$2,200 per eligible FTP) for health insurance, bringing the total appropriation to \$13,850 per FTP. Also included are a one-year elimination of the unemployment insurance rate, a restoration of the Division of Human Resources rate, and adjustments to workers' compensation that vary by agency.

Agency Request	0.00	0	9,000	2,300	11,300
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The Governor recommends no increase for health insurance due to fewer claims than expected and changes to federal tax policies; a one-year elimination of the sick leave rate and the unemployment insurance rate; restoration of the Division of Human Resources rate; and adjustments for workers' compensation rates.

Governor's Recommendation	0.00	0	(1,600)	(400)	(2,000)
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Statewide Cost Allocation

This request includes adjustments to recover the cost of services provided by other agencies in accordance with federal and state guidelines on cost allocation. Risk management costs will increase by \$300, State Controller fees will increase by \$1,800, and State Treasurer fees will increase by \$200, for a net increase of \$2,300.

Agency Request	0.00	0	2,300	0	2,300
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Governor's Recommendation	0.00	0	2,300	0	2,300
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Annualizations

Agency Request	0.00	0	0	0	0
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This annualization recommended by the Governor is for the difference between the supplemental appropriation recommendation and amount requested in line item 1. If the supplemental is approved, this amount would be added to the maintenance portion of the council's budget before setting the FY 2021 appropriation.

Governor's Recommendation	0.00	0	2,913,000	0	2,913,000
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Change in Employee Compensation

For calculation purposes, agencies were directed to include the cost of a 1% salary increase for permanent and temporary employees.

Agency Request	0.00	0	3,400	900	4,300
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The Governor recommends a 2% increase in employee compensation, distributed on merit. He does not recommend a compensation increase for group and temporary positions.

Governor's Recommendation	0.00	0	6,800	1,700	8,500
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FY 2021 Program Maintenance

Agency Request	5.00	0	8,438,900	148,600	8,587,500
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Governor's Recommendation	5.00	0	12,747,200	146,700	12,893,900
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1. Additional Grant Awards

The Workforce Development Council requests \$4,315,500 in trustee and benefit payments to provide additional grants to worthy applicants. This amount would bring the total appropriation available for grants to \$12,000,000 annually. The funding source is the Workforce Development Training Fund, which is a carve out of Unemployment Insurance taxes equal to 3% of the taxable wage rate authorized and payable under Section 72-1350, Idaho Code. Annual revenues are currently estimated to be \$3.7 million for FY 2021. If the council were to spend the entire trustee and benefit payments appropriation in FY 2020 and FY 2021, only \$6.9 million in cash would be available in FY 2022.

Agency Request	0.00	0	4,315,500	0	4,315,500
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Recommended as a supplemental and annualization.

Governor's Recommendation	0.00	0	0	0	0
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Workforce Development Council

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Budget by Decision Unit	FTP	General	Dedicated	Federal	Total
2. Declining Federal Revenue					
The council requests a fund shift of \$3,200 in operating expenditures from the federal grant fund to the Workforce Development Training Fund. The stated reason for the shift is due to declining Workforce Innovation and Opportunity Act (WIOA) revenues in FY 2021. Documents show federal revenues will not support the current appropriation level and the council requests to shift responsibility to the Workforce Development Training Fund to balance the budget for FY 2021.					
Agency Request	0.00	0	3,200	(3,200)	0
Governor's Recommendation	0.00	0	3,200	(3,200)	0
OITS 1 - Operating Costs					
Agency Request	0.00	0	0	0	0
The Governor recommends this agency's share of ongoing funding to pay the Office of Information Technology Services for security software and data center office space located at the Chinden Campus.					
Governor's Recommendation	0.00	0	100	0	100
OITS 2 - Servers and Licensing					
Agency Request	0.00	0	0	0	0
The Governor recommends this agency's onetime share of funding for software licensing, server infrastructure, and storage to expand system capabilities on core systems and to maintain agency-specific software.					
Governor's Recommendation	0.00	0	800	0	800
FY 2021 Total					
Agency Request	5.00	0	12,757,600	145,400	12,903,000
Governor's Recommendation	5.00	0	12,751,300	143,500	12,894,800
Agency Request					
Change from Original App	0.00	0	4,330,900	0	4,330,900
% Change from Original App	0.0%		51.4%	0.0%	50.5%
Governor's Recommendation					
Change from Original App	0.00	0	4,324,600	(1,900)	4,322,700
% Change from Original App	0.0%		51.3%	(1.3%)	50.4%

Part I – Agency Profile

Agency Overview

WDC Mission Statement

“We champion strategies that prepare Idahoans for careers that meet employers’ needs.”

The Idaho Workforce Development Council, as an independent office under the Governor, was established in October 2017 by Executive Order. The executive order responded to recommendations made by Governor Otter’s Workforce Development Task Force to “Increase the role and responsibilities of an industry-driven Workforce Development Council to champion the development and implementation of a statewide, strategic workforce development plan that meets industries’ needs today and tomorrow.” The executive order also charges the Council with ensuring the recommendations of the Task Force are implemented.

In conjunction with the executive order, membership of the Council was reestablished to come into compliance with the Workforce Innovation and Opportunity Act, as the Council also serves as the State Workforce Investment Board. While the number of members on the Council increased from 25 to 36, the increase was largely due to increasing private sector involvement. The executive order also stipulated that the executive committee of the Council be selected from the private sector members.

During the 2018 Legislative session, House Bill 432 was introduced to codify the changes made to the Council by executive order. In addition, the responsibility for the Workforce Development Training Fund was shifted wholly to the Council. House Bill 432 was signed into law on March 12, 2018.

In May 2019, Governor Little updated the Executive Order (now 2019-08) with two changes:

- Increased the membership of the Council from 36 to 37 members, adding a seat for a representative of the State Department of Education.
- Added a sixth member to the Executive Committee, representing a labor union.

Core Functions/Idaho Code

Chapter 12, Title 72 governs the Workforce Development Council. This Chapter and the Governor’s Executive Order (2019-08) complement each other to establish the membership and core functions of the Council (executive order) and the scope of authority (statute) for the Council.

The Workforce Development Council is staffed by an Executive Director and four professional staff. Staff responsibilities are tied to the core functions of the Council:

- Business Partnership Manager – Improve the effectiveness, quality and coordination of programs and services designed to maintain a highly skilled workforce.
- Finance & Grants Manager – Provide for the most efficient use of federal, state and local workforce development resources.
- Outreach & Communications Manager – Increase public awareness of and access to career education & training opportunities.

Revenue and Expenditures

Revenue	FY 2016	FY 2017	FY 2018	FY 2019
General Fund	N/A	N/A	N/A	-
Dedicated	N/A	N/A	N/A	\$22,084,670
TOTAL				\$22,084,670

Expenditure	FY 2016	FY 2017	FY 2018	FY 2019
Personnel Costs	N/A	N/A	N/A	\$434,749
Operating Expenditures	N/A	N/A	N/A	\$432,776
Capital Outlay	N/A	N/A	N/A	-
Trustee Benefits	N/A	N/A	N/A	\$4,682,554
TOTAL				\$5,550,079

Profile of Cases Managed and/or Key Services Provided

The Workforce Development Council does not directly provide services to the public. The function of the Council is to connect education to careers, to align resources across multiple agencies and the state's education institutions to the needs of employers, and to increase collaboration and create efficiencies among the stakeholders in Idaho's workforce development system.

The Council does have responsibility for the Workforce Development Training Fund and invests it through:

- Employer Grants
- Industry Sector Grants
- Innovation Grants
- Outreach Projects

In FY19, the Council approved 33 grants and projects totaling nearly \$5.2m. An annual report on the Workforce Development training fund is provided to the Governor and Legislature annually in February.

Cases Managed and/or Key Services Provided	FY 2016	FY 2017	FY 2018	FY 2019
WDTF Grants Awarded	N/A	N/A	N/A	33

Red Tape Reduction Act

Each agency shall incorporate into its strategic plan a summary of how it will implement the Red Tape Reduction Act, including any associated goals, objectives, tasks, or performance targets. This information may be included as an addendum.

	As of July 1, 2019
Number of Chapters	N/A
Number of Words	N/A
Number of Restrictions	N/A

The Workforce Development Council does not have authority to promulgate administrative rules. In the spirit of assisting the Governor with the Red Tape Reduction Act, the Council assists agencies in review of rules that may be costly, inefficient or outdated. Specifically, the Council is collaborating with the Department of Labor, the Bureau of Occupational Licensing and the Transportation Department, as appropriate.

Part II – Performance Measures

Performance Measure (Old)		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Goal 1: Improve the effectiveness, quality and coordination of programs and services designed to maintain a highly skilled workforce.						
Objective 1A – Develop and sustain effective partnerships with employers, education and agencies engaged in workforce development activities.						
1. Number of strategic partnerships established in FY19.	actual	N/A	N/A	N/A	12	-----
	target	N/A	N/A	N/A	10	N/A
Goal 2: Provide for the most efficient use of federal, state and local workforce development resources.						
Objective 2A – Deploy Workforce Development Training Funds to support critical workforce development initiatives.						
2. Award 75% of the Workforce Development Training Funds anticipated in FY19 (\$4.4m) along with half of the funding provided to support task force recommendations (\$2.5m) in support of critical workforce development initiatives.	actual	N/A	N/A	N/A	\$5,178,109	-----
	target	N/A	N/A	N/A	\$5,800,000.00	N/A
Goal 3: Increase public awareness of and access to career education & training opportunities.						
Objective 3A-Develop and implement a comprehensive statewide public engagement initiative utilizing technology and other engagement strategies to increase awareness of career opportunities for all Idahoans.						
3. Develop outreach partnerships with education and employers in rural communities to enable implementation of outreach strategies.	actual	N/A	N/A	N/A	21	-----
	target	N/A	N/A	N/A	15	N/A
Objective 3B-Increase work-based learning initiatives to better connect education to careers.						
4. Establish formal career pathways aligned with in-demand occupations in Idaho.	actual	N/A	N/A	N/A	Project delayed.	-----
	target	N/A	N/A	N/A	20 career pathways developed and incorporated into nextsteps.idaho.gov .	N/A

Performance Measure (Old)		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
5. Launch a teacher externship program in collaboration with the STEM Action Center.	actual	N/A	N/A	N/A	16	-----
	target	N/A	N/A	N/A	10 externships started by secondary teachers in June 2019.	N/A

Performance Measure (New)		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Goal 1: - Increase public awareness of and access to career education & training opportunities.						
Objective 1A- Identify, develop, connect, and activate a diverse network of influencers throughout the state that can distribute information and resources in a way appropriate to their locale.						
1. Develop relationships with HR Associations, industry associations, and industry leaders and present workforce development initiatives.	actual	N/A	N/A	N/A	N/A	-----
	target	N/A	N/A	N/A	N/A	20
Goal 2: Improve the effectiveness, quality and coordination of programs and services designed to maintain a highly skilled workforce.						
Objective 2A – Create, align, and sustain partnerships with stakeholders to implement workforce development programs.						
2. Percentage of sector and innovation grants awards from the workforce development training fund.	actual	N/A	N/A	N/A	N/A	-----
	target	N/A	N/A	N/A	N/A	50%
3. Host Governors Summit on the Future of Work in collaboration with Idaho Business for Education and agency partners.	actual	N/A	N/A	N/A	N/A	-----
	target	N/A	N/A	N/A	N/A	350 attendees
Goal 3: Provide for the most efficient use of federal, state and local workforce development resources.						
Objective 3A – Be objective, data driven, and accountable.						
4. Provide an annual report and evaluation for the Workforce Development Training Fund.	actual	N/A	N/A	N/A	N/A	-----
	target	N/A	N/A	N/A	N/A	Annual Report due in February 2020. Evaluation completed by June 30, 2020.

Performance Measure Explanatory Notes

Leadership

The effectiveness of the Workforce Development Council will be strongly influenced by the Governor's leadership. As FY19 was a transition year to a new Governor, it is important that the Council quickly understand and align to the priorities of the new Governor. In addition, leadership provided by the members of Council is critical for success. The Council is 37 members yet has the responsibility of representing all of Idaho's employers and citizens.

Collaboration

The execution of the Workforce Development Council's strategic plan relies on partnerships with other state agencies, education and employers. The Council's staff is designed to be small as the Council will generally not operate workforce development programs. Instead, the Council will support, with advocacy and resources, the programs of its partners that align to the Council's comprehensive, statewide strategic workforce development plan.

Funding

During FY20 the Council will be refining models to forecast the funding needed to support a comprehensive, statewide strategic workforce development plan. It is anticipated that the funding available through the Workforce Development Training Fund will be first to fill the gaps; however, those resources will not likely be sufficient to address all the needs. Collaboration with the Council's partners to align existing state and federal funding resources to the workforce development plan will also be required. Outside of those resources, the Council may need to seek additional funding from foundations, grants and possibly state general funds.

For More Information, Contact:

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Workforce Development Council

Analyst: Bybee

FY 2019 Actual Expenditures by Division

		FTP	PC	OE	CO	T/B	LS	Total
0.30	FY 2019 Original Appropriation							
0305-00	Ded	4.00	379,300	346,900	0	7,684,500	0	8,410,700
0348-00	Fed	1.00	92,400	50,000	0	0	0	142,400
Totals:		5.00	471,700	396,900	0	7,684,500	0	8,553,100
1.00	FY 2019 Total Appropriation							
0305-00	Ded	4.00	379,300	346,900	0	7,684,500	0	8,410,700
0348-00	Fed	1.00	92,400	50,000	0	0	0	142,400
Totals:		5.00	471,700	396,900	0	7,684,500	0	8,553,100
1.21	Net Object Transfer							
0305-00	Ded	0.00	0	123,000	0	(123,000)	0	0
Totals:		0.00	0	123,000	0	(123,000)	0	0
1.61	Reverted Appropriation							
0305-00	Ded	0.00	(30,500)	(76,200)	0	(2,860,300)	0	(2,967,000)
0348-00	Fed	0.00	(6,500)	0	0	0	0	(6,500)
Totals:		0.00	(37,000)	(76,200)	0	(2,860,300)	0	(2,973,500)
2.00	FY 2019 Actual Expenditures							
0305-00	Ded	4.00	348,800	393,700	0	4,701,200	0	5,443,700
Workforce Development Training			348,800	393,700	0	4,701,200	0	5,443,700
0348-00	Fed	1.00	85,900	50,000	0	0	0	135,900
Federal Grant			85,900	50,000	0	0	0	135,900
Totals:		5.00	434,700	443,700	0	4,701,200	0	5,579,600
Difference: Actual Expenditures minus Total Appropriation								
0305-00	Ded		(30,500)	46,800	0	(2,983,300)	0	(2,967,000)
Workforce Development Training			(8.0%)	13.5%	N/A	(38.8%)	N/A	(35.3%)
0348-00	Fed		(6,500)	0	0	0	0	(6,500)
Federal Grant			(7.0%)	0.0%	N/A	N/A	N/A	(4.6%)
Difference From Total Approp			(37,000)	46,800	0	(2,983,300)	0	(2,973,500)
Percent Diff From Total Approp			(7.8%)	11.8%	N/A	(38.8%)	N/A	(34.8%)